

# Special Congressional

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## CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM SPECIAL CONGRESSIONAL INQUIRY

Wed May 4 1983

CONTROL NUMBER	BUREAU REFERRED	TITLE	MEMBER'S NAME
003614	ogc	Congressman	Timothy E Wirth

DATE DUE	DATE OF REPLY	REPLY FOR SIGNATURE OF
05/11/83	/ /	msf

CONSTITUENT'S NAME	SUBJECT
Multiple subjects	

REF TO	REF TO	REF TO	REF TO
ogc			

DATE	DATE	DATE	DATE
05/04/83			

REMARKS: As requested by Jerry Fritz, coordinate response  
with Randy Nichols. Jerry & Randy should both  
review the reply.

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OGC  
3614

COMMITTEE ON ENERGY AND COMMERCE

WASHINGTON, D.C. 20515

May 2, 1983

Honorable Mark S. Fowler  
Chairman  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Dear Mr. Chairman:

As you may know, last Thursday the Subcommittee on Telecommunications, Consumer Protection and Finance favorably reported H.R. 2755, a bill to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985. During the Subcommittee's consideration of this legislation, we expressed deep concern about two key issues. We are writing to convey our commitment to seeing that the Commission satisfactorily address these concerns in the very near future.

First, we are extremely disturbed by the severe underrepresentation of minorities in the Commission's own work force, particularly at the professional levels. We believe that it is absolutely imperative that the FCC's hiring practices be a model to the industry it regulates. In passing legislation which incorporates the full level of additional funding requested by the Commission, most of which is targeted for increased hiring, we must insist that the Commission provide us, at the earliest possible date, with a concrete plan of action to address this matter. This effort should be part of a broader Commission initiative which must be aggressively undertaken to ensure both strict industry compliance with EEO requirements and much broader minority ownership in the telecommunications industry.

The Subcommittee also remains committed to the preservation of universal telephone service for all Americans. Fundamental decisions about the future of the telecommunications industry are being made this year not only by the FCC, but also by state public utility commissions, the Federal-State Joint Board, and a Federal court. Their decisions will have a significant impact on the rates that consumers will be paying for telephone service in the coming years. The sum total of those decisions need not jeopardize universal service; we have already begun vigorous oversight efforts to ensure that they in fact do not undermine this important goal.

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MAY 04 1983  
MARK S. FOWLER  
CHAIRMAN  
OFFICE OF THE  
GENERAL  
COUNSEL  
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As you are aware, telephone companies in most states have proposed significant increases in local rates. In many cases, these increases have been attributed to "reductions of the long distance subsidy" that will result from the Commission's access charge order. In truth, the effect of the FCC's order on basic monthly rates will depend upon the access charges that the telephone companies themselves will soon file, under the broad discretion you have accorded them. H.R. 2755 gives the FCC the resources to conduct a careful review of those tariffs. We would expect the Commission to allow only the minimum increase in flat monthly charges needed to prevent the threat of bypass -- and no more. We also expect that the Universal Service Fund will be set at a level adequate to keep telephone rates affordable in rural areas.


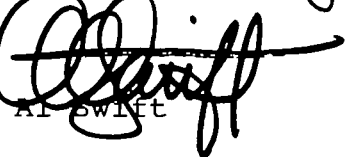
In addition to adopting the access charge plan, the FCC has taken a number of other steps intended to deregulate competitive segments of the telecommunications industry. We support the growth of competition in the telecommunications industry; competition need not -- and should not -- undermine the goal of universal service.

Nonetheless, each step that the Commission has taken (such as changes in depreciation schedules for telephone network equipment and the deregulation of home and office telephone equipment), together with the divestiture of AT&T, may have a cumulative effect on telephone rates that could jeopardize universal service. We expect that the FCC will use part of the funds we have authorized to institute an inquiry or a rulemaking process to investigate and evaluate the impact of changes in industry structure and regulation on universal service, and use the results of that proceeding as a template against which to judge its actions.

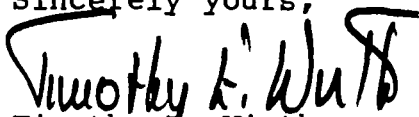
These issues should be given your immediate attention. We look forward to seeing plans to address each of them as soon as possible.

Thank you for giving these matters your prompt and full consideration. We look forward to your reply.

With best wishes,

  
Edward J. Markey  
  
Al Swift


Sincerely yours,

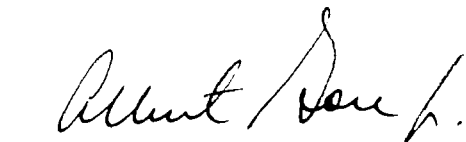
  
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